

COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL

Pacia v. Kilroy Realty, L.P., et al. Case No. 21STCV20624

***The Superior Court for the State of California authorized this Notice. Read it carefully!
It is not junk mail, spam, an advertisement, or solicitation by a lawyer. You are not being sued.***

You may be eligible to receive money from an employee class action lawsuit (“Action”) against Kilroy Realty, L.P., and Kilroy Realty Corporation (collectively “Defendants”) for alleged wage and hour and other violations. The Action was filed by a former employee for Defendant, Ann Klein Pacia (“Plaintiff”) and seeks (1) payment of unpaid wages and penalties for, among other things, unpaid off the clock work resulting in unpaid overtime and minimum wage violations, meal and rest period violations, unreimbursed business expenses, and improper pre-employment background checks on behalf of all non-exempt employees who are or previously were employed by Defendants and performed work in California (“Class Members”) during the period of June 2, 2017 to October 27, 2022 (“Class Period”); and (2) penalties under the California Private Attorney General Act (“PAGA”) for all non-exempt employees who are or previously were employed by Defendants and performed work in California (“Aggrieved Employees”) during period of February 3, 2020 to October 27, 2022 (“PAGA Period”).

The proposed Settlement has two main parts: (1) a Class Settlement requiring Defendants to fund Individual Class Payments and Individual Background Check Payment, and (2) a PAGA Settlement requiring Defendants to fund Individual PAGA Payments and pay penalties to the California Labor and Workforce Development Agency (“LWDA”).

Based on Defendants’ records, **your Individual Class Payment is estimated to be \$<<ESA>> (less withholding), your Individual Background Check Payment is estimated to be \$<<ESA>>, and your Individual PAGA Payment is estimated to be \$<<ESA>>.** The actual amount you may receive likely will be different and will depend on a number of factors. (If no amount is stated for your Individual PAGA Payment, then, according to Defendants’ records, you are not eligible for an Individual PAGA Payment under the Settlement because you did not work during the PAGA Period.)

The above estimates are based on Defendants’ records showing that **you worked <<WEEKS>> Workweeks** during the Class Period and **you worked <<PP>> PAGA Pay Periods** during the PAGA Period. If you believe that you worked more workweeks during either period, you can submit a challenge by the deadline date. See **Section 4** of this Notice.

The Court has already preliminarily approved the proposed Settlement and approved this Notice. The Court has not yet decided whether to grant final approval. Your legal rights are affected regardless of whether you act. Read this Notice carefully. You will be deemed to have carefully read and understood it. At the Final Approval Hearing, the Court will decide whether to finally approve the Settlement and how much of the Settlement will be paid to Plaintiff and Plaintiff’s attorneys (“Class Counsel”). The Court will also decide whether to enter a judgment that requires Defendants to make payments under the Settlement and requires Class Members and Aggrieved Employees to give up their rights to assert certain claims against Defendants.

If you worked for Defendants during the Class Period and/or the PAGA Period, you have two basic options under the Settlement:

(1) **Do Nothing.** You do not have to do anything to participate in the proposed Settlement and be eligible for an Individual Class Payment, Individual Background Check Payment, and/or an Individual PAGA Payment. As a Participating Class Member, though, you will give up your right to assert Class Period wage and other claims and PAGA Period penalty claims against Defendant.

(2) **Opt-Out of the Class Settlement.** You can exclude yourself from the Class Settlement (opt-out) by submitting the written Request for Exclusion or otherwise notifying the Administrator in writing. If you opt-out of the Settlement, you will not receive an Individual Class Payment or Individual Background Check Payment. You will, however, preserve your right to personally pursue Class Period wage and other claims against Defendant. If you are an Aggrieved Employee, remain eligible for an Individual PAGA Payment. You cannot opt-out of the PAGA portion of the proposed Settlement.

Defendants will not retaliate against you for any actions you take with respect to the proposed Settlement.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

<p>You Do not Have to Do Anything to Participate in the Settlement</p>	<p>If you do nothing, you will be a Participating Class Member, eligible for an Individual Class Payment, Individual Background Check Payment, and an Individual PAGA Payment (if any). In exchange, you will give up your right to assert the wage and other claims against Defendants that are covered by this Settlement (Released Claims).</p>
<p>You Can Opt-out of the Class Settlement but not the PAGA Settlement</p> <p>The Opt-out Deadline is <u>July 14, 2023</u></p>	<p>If you do not want to fully participate in the proposed Settlement, you can opt-out of the Class Settlement by sending the Administrator a written Request for Exclusion. Once excluded, you will be a Non-Participating Class Member and no longer eligible for an Individual Class Payment or Individual Background Check Payment. Non-Participating Class Members cannot object to any portion of the proposed Settlement. See Section 6 of this Notice.</p> <p>You cannot opt-out of the PAGA portion of the proposed Settlement. Defendants must pay Individual PAGA Payments to all Aggrieved Employees and the Aggrieved Employees must give up their rights to pursue Released Claims (defined below).</p>
<p>Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement</p> <p>Written Objections Must be Submitted by <u>July 14, 2023</u></p>	<p>All Class Members who do not opt-out (“Participating Class Members”) can object to any aspect of the proposed Settlement. The Court’s decision whether to finally approve the Settlement will include a determination of how much will be paid to Class Counsel and Plaintiff who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel.</p>
<p>You Can Participate in the Final Approval Hearing</p>	<p>The Court’s Final Approval Hearing is scheduled to take place on <u>November 17, 2023</u>. You do not have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone, or by using the Court’s virtual appearance platform. Participating Class Members can verbally object to the Settlement at the Final Approval Hearing. See Section 8 of this Notice.</p>
<p>You Can Challenge the Calculation of Your Workweeks/Pay Periods</p> <p>Written Challenges Must be Submitted by <u>July 14, 2023</u></p>	<p>The amount of your Individual Class Payment and PAGA Payment (if any) depend on how many workweeks you worked at least one day during the Class Period and how many PAGA Pay Periods you worked at least one day during the PAGA Period, respectively. The number of Class Period Workweeks and number of PAGA Period Pay Periods you worked according to Defendants’ records are stated on the first page of this Notice. If you disagree with either of these numbers, you must challenge it by <u>July 14, 2023</u>. See Section 4 of this Notice.</p>

1. WHAT IS THE ACTION ABOUT?

Plaintiff is a former employee for Defendants. The Action accuses Defendants of violating California labor laws by failing to pay minimum wages, including overtime wages; failing to provide legally compliant meal and rest periods; failing to pay wages due upon termination; failure to reimburse for mandatory business expenses; failing to provide accurate itemized wage statements, and performing improper pre-employment background checks. Based on the same claims, Plaintiff has also asserted a claim for civil penalties under the California Private Attorneys General Act (Labor Code §§ 2698, et seq.) (“PAGA”). Plaintiff is represented by attorneys in the Action:

The JCL Law Firm, APC, the Zakay Law Group, APLC and Blumenthal Nordrehaug, Bhowmik & De Blouw, LLP (“Class Counsel.”)

Defendants strongly deny violating any laws or failing to pay any wages and contend it complied with all applicable laws.

2. WHAT DOES IT MEAN THAT THE ACTION HAS SETTLED?

The Court has made no determination whether Defendants or Plaintiff are correct on the merits. Plaintiff and Defendants hired a private mediator in an effort to resolve the Action by negotiating to end the case by agreement (settle the case) rather than continuing the expensive and time-consuming process of litigation. These negotiations were successful.

By signing a lengthy written settlement agreement (“Agreement”) and agreeing to jointly ask the Court to enter a judgment ending the Action and enforcing the Agreement, Plaintiff and Defendants have negotiated a proposed Settlement that is subject to the Court’s Final Approval.

Both sides agree the proposed Settlement is a compromise of disputed claims. By agreeing to settle, Defendants do not admit any violations or concede the merit of any claims.

Plaintiff and Class Counsel strongly believe the Settlement is a good deal for you because they believe that: (1) Defendants have agreed to pay a fair, reasonable, and adequate amount considering the strength of the claims and the risks and uncertainties of continued litigation; and (2) Settlement is in the best interests of the Class Members and Aggrieved Employees. The Court preliminarily approved the proposed Settlement as fair, reasonable, and adequate, authorized this Notice, and scheduled a hearing to determine Final Approval.

3. WHAT ARE THE IMPORTANT TERMS OF THE PROPOSED SETTLEMENT?

A. Defendants Will Pay \$870,000.00 as the Maximum Settlement Amount (Maximum Settlement). Defendants have agreed to deposit the Maximum Settlement into an account controlled by the Administrator of the Settlement. The Administrator will use the Maximum Settlement to pay the Individual Class Payments, Individual Background Check Payments, Individual PAGA Payments, Class Representatives Payment, Class Counsel’s attorney’s fees and expenses, the Administrator’s expenses, and penalties to be paid to the California Labor and Workforce Development Agency (“LWDA”). Assuming the Court grants Final Approval, Defendants will fund the Maximum Settlement not more than sixty-five (65) days after the Court’s Judgment is final. The Judgment will be final on the date the Court enters Judgment, or a later date if Participating Class Members object to the proposed Settlement or the Judgment is appealed.

B. Court Approved Deductions from Maximum Settlement. At the Final Approval Hearing, Plaintiff and/or Class Counsel will ask the Court to approve the following deductions from the Maximum Settlement, the amounts of which will be decided by the Court at the Final Approval Hearing:

- a. Up to \$290,000.00 (One-third of the Maximum Settlement) to Class Counsel for attorneys’ fees and up to \$30,000 for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment.
- b. Up to \$5,000.00 to the Class Representative as a Class Representative Payment for filing the Action, working with Class Counsel, and representing the Class. A Class Representative Award will be the only monies Plaintiff will receive for acting as a representative of the Class. Plaintiff may be entitled to receive an Individual Class Payment, Individual Background Check Payment, and/or an Individual PAGA Payment, which shall be calculated and paid to her in exactly the same method as it will be calculated and paid for all other Class Members.
- c. Up to \$8,000.00 to the Administrator for services administering the Settlement.
- d. At least \$30,000.00 for PAGA Payment, allocated 75% to the LWDA Payment and 25% in Individual PAGA Payments to the Aggrieved Employees based on their PAGA Pay Periods.
- e. At least \$50,000.00 for the Background Check Payment, allocated on a per capita basis to all Participating Class Members.

Participating Class Members have the right to object to any of these deductions. See Section 7, below. The Court will consider all objections.

C. Net Settlement Distributed to Class Members. After making the above deductions in amounts approved by the Court, the Administrator will distribute the rest of the Maximum Settlement (the “Net Settlement”) by making Individual Class Payments to Participating Class Members based on their Class Period Workweeks.

D. Taxes Owed on Individual Class Payments to Participating Class Members. Plaintiff and Defendants are asking the Court to approve an allocation of 20% of each Individual Class Payment to taxable wages (“Wage Portion”) and 80% to interests and penalties (“Non-Wage Portion.”). The Wage Portion is subject to withholding and will be reported on IRS W-2 Forms. Defendants will separately pay employer payroll taxes it owes on the Wage Portion. The Individual PAGA Payments are counted as penalties rather than wages for tax purposes. The Administrator will report the Individual PAGA Payments and the Non-Wage Portions of the Individual Class Payments on IRS 1099 Forms.

E. Taxes Owed on the Individual Background Check Payments. 100% of each Participating Class Members' Individual Background Check Payments will be allocated to settlement of claims for penalties and are not subject to wage withholdings and will be reported on IRS 1099 Forms. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Background Check Payments.

Although Plaintiff and Defendants have agreed to these allocations, neither side is giving you any advice on whether your Payments are taxable or how much you might owe in taxes. You are responsible for paying all taxes (including penalties and interest on back taxes) on any Payments received from the proposed Settlement. You should consult a tax advisor if you have any questions about the tax consequences of the proposed Settlement.

F. Need to Promptly Cash Payment Checks. The front of every check issued for Individual Class Payments, Individual Background Check Payments, and Individual PAGA Payments will show the date when the check expires (the void date). If you do not cash it by the void date, your check will be automatically cancelled, and the monies will be irrevocably lost to you because they will be paid to a non-profit organization or foundation ("Cy Pres"). In this case, any unclaimed funds that remain after the void date will be transmitted to the Community Law Project consistent with Code of Civil Procedure Section 384, subd. (b).

G. The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will decline to grant Final Approval of the Settlement or decline enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiff and Defendants have agreed that, in either case, the Settlement will be void. Defendants will not pay any money and Class Members will not release any claims against Defendants.

H. Administrator. The Court has appointed a neutral company, ILYM Group, Inc. (the Administrator") to send this Notice, calculate and make payments, and process Class Members' Requests for Exclusion. The Administrator will also decide Class Member Challenges over Workweeks, mail and re-mail settlement checks and tax forms, and perform other tasks necessary to administer the Settlement. The Administrator's contact information is contained in Section 9 of this Notice.

I. Participating Class Members' Release. After the Judgment is final and Defendants have fully funded the Maximum Settlement Amount, Participating Class Members will be legally barred from asserting any of the class claims alleged in the operative complaint which occurred during the Class Period (the "Released Class Claims"), and expressly excluding all other claims, including claims for vested benefits, wrongful termination, unemployment insurance, disability, social security, workers' compensation, and class claims outside the Class Period. This means that, unless you opted out by validly excluding yourself from the Class Settlement, you cannot sue, continue to sue, or be part of any other lawsuit against Defendants or related entities for wages based on the Class Period facts as alleged in the Action and resolved by this Settlement.

The Participating Class Members will be bound by the following release: As of the Funding Date, Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release, and discharge Released Parties from the Released Class Claims.

J. Aggrieved Employees' PAGA Release. After the Court's judgment is final, and Defendants have fully funded the Maximum Settlement Amount, all Aggrieved Employees will be barred from any of the PAGA claims alleged in the operative complaint and Plaintiff's PAGA notice to the LWDA which occurred during the PAGA Period ("Released PAGA Claims"), and expressly excluding all other claims, including claims for vested benefits, wrongful termination, unemployment insurance, disability, social security, workers' compensation, and PAGA claims outside the PAGA Period.

The Aggrieved Employees will be bound by the following release: As of the Funding Date, all Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all Released PAGA Claims.

4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

A. Individual Class Payments. The Administrator will calculate Individual Class Payments by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members, and (b) multiplying the result by the number of Workweeks worked by each individual Participating Class Member.

B. Individual Background Check Payments. The Administrator will calculate Individual Back Check Payments by dividing the Background Check Payment (\$50,000.00) by the number of Participating Class Members.

C. Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by (a) dividing \$7,500.00 by the total number of PAGA Pay Periods worked by all Aggrieved Employees and (b) multiplying the result by the number of PAGA Pay Periods worked by each individual Aggrieved Employee.

D. Workweek/PAGA Pay Period Challenges. The number of Class Workweeks you worked during the Class Period and the number of PAGA Pay Periods you worked during the PAGA Period, as recorded in Defendants' records, are stated in the first page of this Notice. You have until **July 14, 2023**, to challenge the number of Workweeks and/or PAGA Pay Periods credited to you. You can submit your challenge by signing and sending a letter to the Administrator via mail, email, or fax. Section 9 of this Notice has the Administrator's contact information.

You need to support your challenge by sending copies of pay stubs or other records. The Administrator will accept Defendants' calculation of Workweeks and/or PAGA Pay Periods based on Defendants' records as accurate unless you send copies of records containing contrary information. You should send copies rather than originals because the documents will not be returned to you. The Administrator will resolve Workweek and/or PAGA Pay Period challenges based on your submission and on input from Class Counsel (who will advocate on behalf of Participating Class Members) and Defendants' Counsel. The Administrator's decision is final. You cannot appeal or otherwise challenge its final decision.

5. HOW WILL I GET PAID?

A. Participating Class Members. The Administrator will send, by U.S. mail, a single check to every Participating Class Member (i.e., every Class Member who doesn't opt-out) including those who also qualify as Aggrieved Employees. The single check will combine the Individual Class Payment, the Individual Background Check Payment, and the Individual PAGA Payment, if you qualify.

B. Non-Participating Class Members. The Administrator will send, by U.S. mail, a single Individual PAGA Payment check to every Aggrieved Employee who opts out of the Class Settlement (i.e., every Non-Participating Class Member).

Your check will be sent to the same address as in this Notice. If you change your address, be sure to notify the Administrator as soon as possible. Section 9 of this Notice has the Administrator's contact information.

6. HOW DO I OPT-OUT OF THE CLASS SETTLEMENT?

Submit a written and **signed** letter with your name, present address, telephone number, and a simple statement that you do not want to participate in the Settlement. The Administrator will exclude you based on any writing communicating your request be excluded. Be sure to personally sign your request, identify the Action as *Pacia v. Kilroy Realty, L.P., et al.*, Case No. 21STCV20624, and include your identifying information (full name, address, telephone number, approximate dates of employment, and social security number for verification purposes). **You must make the request yourself.** If someone else makes the request for you, it will not be valid. **You must postmark your request to be excluded by **July 14, 2023**, or it will be invalid.** Section 9 of the Notice has the Administrator's contact information. Excluded Class Members (i.e., Non-Participating Class Members) will not receive Individual Class Payments, or Individual Background Check Payments but will preserve their rights to personally pursue wage and hour claims against Defendants.

You cannot opt-out of the PAGA portion of the Settlement. Class Members who exclude themselves from the Class Settlement (Non-Participating Class Members) remain eligible for Individual PAGA Payments and are required to give up their right to assert PAGA claims against Defendants based on the PAGA Period facts alleged in the Action.

7. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Settlement. Before deciding whether to object, you may wish to see what Plaintiff and Defendants are asking the Court to approve. At least twenty-eight (28) days before the **November 17, 2023** Final Approval Hearing, Class Counsel and/or Plaintiff will file in Court (1) a Motion for Final Approval that includes, among other things, the reasons why the proposed Settlement is fair, and (2) a Motion for Attorneys' Fees and Litigation Costs and Service Award stating (i) the amount Class Counsel is requesting for attorneys' fees and litigation expenses; and (ii) the amount Plaintiff is requesting as a Class Representatives Award. Upon reasonable request, Class Counsel (whose contact information is in Section 9 of this Notice) will send you copies of these documents at no cost to you. You can also view them on the Administrator's Website www.ilymgroup.com/kilroy or the Court's website <https://www.lacourt.org/documentimages/civilimages/publicmain.aspx>.

A Participating Class Member who disagrees with any aspect of the Agreement, the Motion for Final Approval and/or Motion for Attorneys' Fees and Litigation Costs, and Service Award may wish to object. **The deadline for sending written objections to the Administrator is **July 14, 2023**.** Be sure to tell the Administrator what you object to, why you object, and any facts that support your objection. Make sure you identify the Action *Pacia v. Kilroy Realty, L.P., et al.*, Case No. 21STCV20624 and include your name, current address, telephone number, and approximate dates of employment for Defendants and sign the objection. Section 9 of this Notice has the Administrator's contact information.

Alternatively, a Participating Class Member can object (or personally retain a lawyer to object at your own cost) by attending the Final Approval Hearing. You (or your attorney) should be ready to tell the Court what you object to, why you object, and any facts that support your objection. See Section 8 of this Notice (immediately below) for specifics regarding the Final Approval Hearing.

8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to, attend the Final Approval Hearing on **November 17, 2023**, at **10:30 a.m.** in Department **1** of the Los Angeles Superior Court, located at 312 North Spring Street, Los Angeles, CA 90012. At the Hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of the Maximum Settlement will be paid to Class Counsel, Plaintiff, and the Administrator. The Court will invite comments from objectors, Class Counsel, and Defense Counsel before making a decision. You can attend (or hire a lawyer to attend) either personally or virtually by contacting <https://www.lacourt.org/lacc/>. You or your attorney should be prepared to provide the case name and case number and date of the final approval hearing which is all set forth in this Notice.

It is possible the Court will reschedule the Final Approval Hearing. You should check the Administrator's website www.ilymgroup.com/kilroy beforehand or contact Class Counsel to verify the date and time of the Final Approval Hearing. Check the Court's website for the most current information.

9. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything Defendants and Plaintiff have promised to do under the proposed Settlement. The easiest way to read the Agreement, the Judgment, or any other Settlement documents is to go to ILYM Group, Inc.'s website at www.ilymgroup.com/kilroy. You can also telephone or send an email to Class Counsel or the Administrator using the contact information listed below, or consult the Superior Court website by going to (<https://www.lacourt.org/lacc/>) and entering the Case Number for the Action, Case No. 21STCV20624. You can also make an appointment to personally review court documents in the Clerk's Office at the Los Angeles Superior Court.

DO NOT TELEPHONE THE SUPERIOR COURT TO OBTAIN INFORMATION ABOUT THE SETTLEMENT.

Class Counsel:

JCL LAW FIRM, APC
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T: 619-599-8292
jlapuyade@jcl-lawfirm.com

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T: 619-892-7095
F: 858-404-9203
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Settlement Administrator:

ILYM Group, Inc.
P.O. Box 2031, Tustin, CA 92781
T: 1-888-250-6810
F: 1-888-845-6185
E: info@ilymgroup.com
Website: www.ilymgroup.com/kilroy

10. WHAT IF I LOSE MY SETTLEMENT CHECK?

If you lose or misplace your settlement check before cashing it, the Administrator will replace it as long as you request a replacement before the void date on the face of the original check. If your check is already void, you will have no way to recover the money.

11. WHAT IF I CHANGE MY ADDRESS?

To receive your check, you should immediately notify the Administrator if you move or otherwise change your mailing address.